

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Commonwealth Edison Company	:	
	:	00-0259
Petition for expedited approval of	:	
implementation of a market-based	:	
alternative tariff, to become effective on	:	
or before May 1, 2000, pursuant to	:	
Article IX and Section 16-112 of the	:	
Public Utilities Act	:	
	:	(cons.)
Central Illinois Public Service Company	:	
Union Electric Company	:	
	:	00-0395
Petition for approval of revisions to	:	
market value tariff, Rider MV	:	
	:	
Illinois Power Company	:	
	:	00-0461
Proposed new Rider MVI and	:	
revisions to Rider TC.	:	

MOTION FOR RECONSIDERATION

Central Illinois Public Service Company ("AmerenCIPS") and Union Electric Company ("AmerenUE") (the "Ameren Companies") hereby request that the Commission reconsider its July 6, 2000 Order directing that Docket Nos. 00-0259, 00-0395 and 00-0461 be consolidated. Consolidation of these three matters is not likely to produce efficiencies in the process of the three matters and, to the contrary, will likely prolong their resolution. Accordingly, the Ameren Companies request that the Commission sever the Ameren Companies' docket from the others, and allow that docket to proceed pursuant to the schedule previously agreed to in that docket. Consolidation will delay the resolution of the Ameren Companies' filing, to the detriment of their customers, the companies and the development of competition within their service territories.

On June 1, 2000, the Ameren Companies filed a Petition seeking approval of changes to their respective Riders MV, which calculate the market value of power and energy for purposes of pricing under the Power Purchase Option ("PPO") and the transition charge. Pursuant to the

Commission's Order in Docket No. 99-0121, the Ameren Companies current Riders MV use the Neutral Fact Finder ("NFF") value for these purposes. In the Petition, the Ameren Companies requested the Commission to approve the use of market-traded indices applicable to the Ameren Companies market, principally the "Into Cinergy" index. The Ameren Companies proposed to implement the changes to the market value calculation beginning on January 1, 2001.

In their June 1 filing, the Ameren Companies explained that the use of the NFF approach understates the market value of power and energy. As a result, transition charges are higher, and PPO prices are lower, than they otherwise would be. This makes it more difficult for entities other than the incumbent to compete for retail load. The Ameren Companies believe that more accurate measures of market value, such as through the market index approach proposed by the Ameren Companies, will contribute to the development of meaningful retail competition.

At a prehearing conference held in Docket 00-0395 on June 19, 2000, the parties to that proceeding agreed to a schedule which would allow for a HEPO by mid-November and a final order by the end of December, 2000.

The date of the final order is significant because it would allow the Ameren Companies to implement the changes to the PPO pricing at the beginning of the next calendar year, so that there are not two distinct PPO methodologies applicable in the same year. Moreover, the longer that the Ameren Companies are required to implement the notoriously inaccurate NFF method, the longer that customers and the competitive process will suffer the effects of understated market values. Accordingly, the Ameren Companies sought, and no party objected to, entry of a final order prior to January 1, 2001.

Subsequent to the prehearing conference in Docket No. 00-0395, on July 6, 2000, the Commission consolidated the Ameren Companies' Petition in Docket No. 00-0395 with

Commonwealth Edison Company's market value proposal in Docket No. 00-0259 and Illinois Power Company's market value proposal in Docket No. 00-0461.

On July 12, 2000, a prehearing conference was held in the consolidated docket, at which a schedule for the consolidated proceeding was discussed. The parties were unable to reach agreement on a schedule, instead developing two alternative: 1) a schedule roughly equivalent to that previously agreed to in the Ameren case, which would call for initial Staff and intervenor testimony by August 11; and 2) a schedule that would result in a PEPO by mid-February, 2001. Three factors appeared to influence the parties advocating the longer schedule. The first was a belief that a review of the ComEd tariff would be more involved, or at least generate greater participation, than the Ameren Companies and IP tariffs. The second was that the Ameren Companies' schedule could not accommodate the workshop process that the Commission previously ordered in Docket No. 00-0259 for the ComEd tariff. And the third was the ComEd tariff changes would not be effective until May, 2001, because ComEd has a market-index tariff in place until that date. Hence, with respect to ComEd, there is no compelling need for more rapid resolution.

The Hearing Examiner set a briefing schedule for written comments regarding the procedural schedule. Reply comments are due by July 19. The Ameren Companies, therefore, do not expect a ruling regarding the schedule until at least that date.

The Ameren Companies do not contest the validity of parties' positions regarding the need for more time *in the context of the ComEd proposal*. It does not follow, however, that these same concerns can or should be applicable to the Ameren Companies' proposal. No party requested workshops in the Ameren case, and the Commission never ordered them. The workshops will address the ComEd proposal, and it is not evident that the workshops will have

any value with respect to the Ameren Companies' proposal. The Ameren Companies' proposal should not be delayed because parties are more interested in, confused by, or aggressive regarding the ComEd tariff.

Moreover, as noted, ComEd has a market-index tariff in place. The Ameren Companies, their customers, and the Ameren market are still suffering the effects of the woeful NFF procedure. Any delay is to the detriment of the Companies, their customers and competitors. All will benefit from a more accurate measure of market value , and there is no reason to delay that benefit. If the Ameren Companies are unable to implement their market value proposal at the beginning of the calendar year, the result would be unnecessary confusion associated with having two different PPOs applicable in the same calendar year, and a detrimental reduction in the time available to customers to assess the PPO prior to the onset of the critical summer period.

Lastly, consolidation of these matters is not appropriate under the Commission's rules regarding consolidation and severance, which are set forth in Section 200.600 of the Rules of Practice and Procedure:

The Commission or Hearing Examiner may order two or more proceedings involving a similar question of law or fact to be consolidated where *rights of the parties or the public interest will not be prejudiced by such a procedure*. The Commission or Hearing Examiner may order separate proceedings *if the issues cannot be conveniently disposed of with other issues in the proceeding*, or if for any other reason severance of the parties is required. 83 Ill. Admin. Code 200.600 (2000).

This matter is one that is not proper for consolidation, but clearly meets the test for severance. Here, while the ComEd, IP and Ameren proposals all involve market-index alternatives to the NFF, the central, defining issues are not common. Each utility is exercising its

statutory right to propose an alternative to the NFF based on market-traded indices that are "applicable to the market in which the utility sells, and the customers in its service territory buy, electric power and energy." Accordingly, there will be three issues in the consolidated case: whether the Ameren Companies' proposed market value method is applicable to the Ameren service territory; whether ComEd's proposed market value method is applicable to the ComEd service territory; and whether Illinois Power's proposed market value method is applicable to the Illinois Power service territory. The issues will involve different evidence, and the record may produce different answers to each.

Moreover, as discussed above, consolidation will likely delay the resolution of the Ameren Companies' proposal beyond the date contemplated in the existing agreed schedule, which is prejudicial to the Ameren Companies and their customers

The Commission should revisit its decision to consolidate the three proceedings, and should sever Docket No. 00-0395, the Ameren Companies' petition, and direct that it proceed according to the previously agreed schedule.

Respectfully submitted,

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
UNION ELECTRIC COMPANY

By: _____
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